



**SEIU**Healthcare.  
United for Quality Care

February 7, 2023  
SEIU District 1199 New England  
Before the Labor Committee

*In Support of* **HB 6594: An Act Concerning Non-Compete Agreements**

Good Afternoon, Senator Kushner, Representative Sanchez, and members of the Labor Committee. District 1199NE represents 26,000 healthcare workers in both the public and private sector in Connecticut. This includes approximately 7,000 nursing home employees, 2,500 group home employees, and 10,000 medicaid waiver personal care attendants. We submit this testimony in support of HB 6594.

Historically, non-compete agreements were put in place to protect a company's trade-secrets or sensitive information, and they applied to those dealing with such secrets: Highly compensated managerial and executive employees. Non-compete clauses exist to prevent trade-secrets or other sensitive information from being intentionally or accidentally divulged to competitors, vendors, or the public in general.

This is still the purpose of non-compete agreements on paper, but in more recent times non-compete clauses have been expanded to apply to all workers, including rank and file employees in sectors such as fast-food, restaurants, retail, and manufacturing, as well as sectors represented by SEIU 1199: home care, nursing homes, and group homes. But these rank-and-file workers generally do not come in contact with trade-secrets or sensitive information. Moreover, non-disclosure agreements would serve the same purpose without the punitive effects on employees.

However, lobbying efforts by corporations show that they are in vehement support of non-compete agreements. This is because, in practice, non-compete agreements restrict employees from seeking better opportunities. It prevents employees not just from seeking work with other competitors, but even in other locations within the same company. According to the Federal Trade Commission (FTC), an estimated 20% of American workers (approximately 30 million people) have been pressured to sign non-compete agreements as a condition of their employment. Employees are adversely impacted by such policies because they keep wages depressed, prevent job mobility, and hurt career development. Non-compete agreements also hamper

innovation and entrepreneurship since the competitors, as defined by the clauses, usually include new businesses.

Twenty-seven states have enacted legislation to limit or completely ban the use of non-compete clauses, and we urge you to do the same in Connecticut. Please support HB 6594. Thank you for your time.